

Senate Study Bill 1211

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act repealing the authorization to use local sales and
2 services tax revenue to fund urban renewal projects and
3 including an effective date provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1087XC 83
6 md/sc:mg/14

PAG LIN

1 1 Section 1. Section 423B.1, subsection 6, paragraph c, Code
1 2 2009, is amended by striking the paragraph.
1 3 Sec. 2. Section 423B.7, subsection 1, Code 2009, is
1 4 amended to read as follows:
1 5 1. ~~a. Except as provided in paragraph "b", the~~ The
1 6 director shall credit the local sales and services tax
1 7 receipts and interest and penalties from a county-imposed tax
1 8 to the county's account in the local sales and services tax
1 9 fund and from a city-imposed tax under section 423B.1,
1 10 subsection 2, to the city's account in the local sales and
1 11 services tax fund. If the director is unable to determine
1 12 from which county any of the receipts were collected, those
1 13 receipts shall be allocated among the possible counties based
1 14 on allocation rules adopted by the director.
1 15 ~~b. Notwithstanding paragraph "a", the director shall~~
~~1 16 credit the designated amount of the increase in local sales~~
~~1 17 and services tax receipts, as computed in section 423B.10,~~
~~1 18 collected in an urban renewal area of an eligible city that~~
~~1 19 has adopted an ordinance pursuant to section 423B.10,~~
~~1 20 subsection 2, into a special city account in the local sales~~
~~1 21 and services tax fund.~~
1 22 Sec. 3. Section 423B.7, subsection 6, Code 2009, is
1 23 amended by striking the subsection.
1 24 Sec. 4. Section 423B.10, Code 2009, is repealed.
1 25 Sec. 5. TAXES RECEIVED PRIOR TO EFFECTIVE DATE. All local
1 26 sales and services taxes received by a city under chapter 423B
1 27 prior to the effective date of this Act that have been
1 28 designated by a city by ordinance to fund urban renewal
1 29 projects pursuant to section 423B.10, as repealed under this
1 30 Act, shall be deposited in the city's general fund.
1 31 Sec. 6. EFFECTIVE DATE. This Act, being deemed of
1 32 immediate importance, takes effect upon enactment.
1 33 EXPLANATION
1 34 This bill repeals Code section 423B.10, which provides that
1 35 a city with a local sales and services tax imposed by the
2 1 county may designate an amount of the increased tax revenues
2 2 attributable to retail establishments in an urban renewal area
2 3 to fund urban renewal projects in the area. The bill provides
2 4 that all local sales and services taxes received by a city
2 5 under Code chapter 423B prior to the effective date of the
2 6 bill that have been designated by a city by ordinance to fund
2 7 urban renewal projects pursuant to Code section 423B.10 shall
2 8 be deposited in the city's general fund.
2 9 This bill takes effect upon enactment.
2 10 LSB 1087XC 83
2 11 md/sc:mg/14